REMARKS

In the November 25, 2005 Office Action, claims 1-6 and 14 stand rejected in view of prior art, while claims 8-13 and 15 are indicated as being allowed and claim 7 as containing allowable subject matter. No other objections or rejections are made in the Office Action.

Status of Claims and Amendments

In response to the November 25, 2005 Office Action, Applicants have amended claim 1 as indicated above. Claim 15 has also been amended to correct an error in the dependency. Applicants wish to thank the Examiner for the indication of allowance and allowable subject matter, and the thorough examination of this application. Thus, claims 1-15 are pending, with claims 1, 8, 12 being the only independent claims. Reexamination and reconsideration of the pending claims are respectfully requested in view of the above amendments and the following comments.

Interview Summary

On February 7, 2006, the undersigned conducted a telephonic interview with Examiner Gloria Weeks, who is in charge of the above-identified patent application. Applicants wish to thank the Examiner for her courteous interview and the opportunity to discuss the above-identified patent application.

During the interview, the rejections of claims 1-6 and 14 were clarified. It was orally confirmed the Examiner interpreted the language of claim 1 to read that "a transfer mechanism that transfers the bags ... on a diagonally downward and rearward *side*."

Rejections - 35 U.S.C. § 102

In paragraphs 3-4 of the Office Action, claims 1-4 and 14 stand rejected under 35 U.S.C. §102(b) as being anticipated U.S. Patent No. 3,864,895 to Petrea ("Petrea patent"). Although Applicants have amended independent claim 1, Applicants respectfully traverse the rejections.

In particular, independent claim 1 as amended on September 19, 2005 recites that the transfer mechanism transfers the bag diagonally in a *downward and rearward direction*. Clearly, this structure is *not* disclosed or suggested by the Petrea patent or any other prior art of record.

As shown on page 3 of the Office Action, the "forward direction" of the Petrea patent as shown in the Figure on page 3 is the leftward direction. The bags 12 attached to the

backing sheet 36 are clearly outputted from the machine in the leftward direction, in other words in the forward direction. This is clearly contrary to the requirement of claim 1.

Although the Office Action interprets the language of claim 1 in the September 19, 2005 Amendment to mean "a transfer mechanism that transfers the bags manufactured by said bag manufacturing unit on a diagonally downward and rearward side," Applicants believe that such interpretation is *impossible* unless the claim language further specifies diagonally downward and rearward side of what. Since there is no limitation as to the reference point which defines the "rearward side," there is nothing in the language of claim 1 that indicates that the term "rearward" refers to the side, as opposed to the transfer direction. Therefore, Applicants believe that the language "diagonally downward and rearward" as submitted in the September 19, 2005 Amendment could only be interpreted as "in the diagonally downward and rearward direction," which is how claim 1 is currently amended as presented above.

Furthermore, although the Office Action in paragraph 10 requires clarification of the reference point with respect to which "rearward" is defined, Applicants believe that such clarification is unnecessary, since Applicants have never intended to limit the scope of claim 1 by where the transfer by the transfer mechanism occurs.

Thus, Applicants respectfully traverse the rejections to claims 1-4 and 14. Applicants respectfully submit that claim 1 as well as its dependent claims 2-4 and 14 is not anticipated by the prior art of record. Withdrawal of the rejections is respectfully requested.

Rejections - 35 U.S.C. § 103

In paragraphs 5-7 of the Office Action, claim 5 stands rejected under 35 U.S.C. §103(a) as being unpatentable over the Petrea patent in view of U.S. Patent No. 6,726,794 to Belt ("Belt patent"). Claim 6 stands rejected under 35 U.S.C. §103(a) as being unpatentable over the Petrea patent in view of U.S. Patent No. 4,415,127 to Seragnoli ("Seragnoli patent"). In response, Applicants respectfully traverse the rejections.

More specifically, claim 1 recites that the transfer mechanism transfers the bag diagonally in a *downward and rearward direction*. Applicants believe that none of the prior art of record disclose or suggest the arrangement of claim 1.

Petrea Patent

Discussion regarding the Petrea patent has been advanced above. As page 3 of the Office Action indicates, the Petrea patent does not disclose or suggest the transfer mechanism that transfers bags in a diagonally downward and rearward direction.

Thus, Applicants believe that the Petrea patent does not anticipate or render obvious claim 1.

Belt Patent

The Belt patent is cited in the Office Action to show a strip transport unit that transports a plurality of strips to the fixing mechanism. However, Applicants believe that the Belt patent does not show or suggest the transfer mechanism that transfers the bag in a *downward and rearward direction*. As seen in Figures 1-4 of the Belt patent, the transfer mechanism clearly transfers the bags horizontally, rather than diagonally downward as required by claim 1. Furthermore, it is very unlikely that the bags 12 attached to the strip of the Belt patent are thereafter outputted in the rightward direction as viewed in Figure 1, since if the bags 12 were transferred in the rightward direction, the bags 12 would collide with the pockets 16 of the conveyor 18 and interfere with the operation of the conveyor 18. Thus, the "frontward direction" of the Belt patent would have to be the leftward direction as viewed in Figures 1-4. Therefore, the conveyor 18 clearly does *not* transfer the bags 12 in a rearward direction.

Thus, Applicants believe that the Belt patent does not anticipate or suggest the arrangement of claim 1, whether taken singularly or in combination with the Petrea patent.

Seragnoli Patent

The Seragnoli patent is cited in the Office Action to show a means for signaling depletion of the strip material from the reel supply. The Seragnoli patent clearly does not show or suggest a transfer mechanism that transfers bags diagonally downward and rearward. Thus, the Seragnoli patent does not anticipate or suggest the arrangement of claim 1, whether taken singularly or in combination with the Belt patent and the Petrea patent.

In view of the above comments, the Petrea patent, the Belt patent, and the Seragnoli patent do not anticipate or suggest the arrangement of claim 1.

Applicants believe that claims 5-6 are also allowable over the prior art of record in that they depend from independent claim 1. Therefore, they are allowable for the reasons

Appl. No. 10/648,472

Amendment dated February 17, 2006

Reply to Office Action of November 25, 2005

stated above. Thus, Applicants believe that since the prior art of record does not anticipate the independent claim 1, neither does the prior art anticipate dependent claims 5-6.

Therefore, Applicants respectfully request that these rejections be withdrawn in view of the above comments.

Allowable Subject Matter

In paragraphs 8-9 of the Office Action, claims 8-13 and 15 stand indicated as allowed and claim 7 is indicated as containing allowable subject matter. Applicants wish to thank the Examiner for the indication of allowance and allowable subject matter, and the thorough examination of this application. In this Amendment, claim 15 has been amended to correct an error in the dependency. Claim 7 still remains dependent from claim 1, which Applicants believe is allowable over the prior art of record. Thus, Applicants believe that claim 7 is now in condition for allowance.

In view of the foregoing amendment and comments, Applicants respectfully assert that claims 1-15 are now in condition for allowance. Reexamination and reconsideration of the pending claims are respectfully requested.

Respectfully submitted,

Kiyoe K. Kabashima Reg. No. 54,874

SHINJYU GLOBAL IP COUNSELORS, LLP 1233 Twentieth Street, NW, Suite 700

Washington, DC 20036

(202)-293-0444

Dated:

17,2006

G:\02-FEB06-MT\IS-US020505 Amendment.doc